

Introduced by Senator Soto

February 17, 2004

An act to add and repeal Section 379.7 to the Public Utilities Code, relating to energy, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1296, as introduced, Soto. Bark beetle wood waste fueled generating facilities.

Existing law permits a private energy producer to generate electricity not generated from conventional sources, as defined, solely for his, her, or its own use or the use of its tenants, or generating electricity to or for any electrical corporation, state agency, city, county, district, or an association thereof, but not the public, without becoming a public utility subject to the general jurisdiction of the Public Utilities Commission. Existing law requires the commission to review the charges paid by electrical corporations to private energy producers for electricity generated by other than conventional power sources and to review standby and transmission charges made by electrical corporations to the private energy producers. The commission is further required, after the review, to adjust those charges to encourage the generation of electricity from other than conventional power sources.

This bill would state the intent of the Legislature to promote investment in, and the use of, power generation systems that have the capability of utilizing bark beetle wood waste as fuel for electrical power generation.

The bill would define a "bark beetle wood waste fueled generating facility" as an electrical generating facility that has the physical capability of handling and consuming as fuel in the process of

generating electricity, bark beetle wood waste originating in the counties of San Bernardino, Riverside, or San Diego.

The bill would prohibit a bark beetle wood waste fueled generating facility from being charged by an electrical corporation for any exit fees or cost responsibility surcharges, as approved by the commission and applicable to departing load customers, including Department of Water Resources bond charges, Department of Water Resources power charges, or any fees for recovery of utility power cost undercollections or residual uneconomic generation charges, for the energy it generates from the consumption of bark beetle wood waste fuel.

The provisions of this bill would be repealed on January 1, 2011.

The bill would state that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares as follows:

2 (a) A condition of extreme peril to the people, property, and
3 environment exists within the boundaries of Riverside, San
4 Bernardino, and San Diego Counties due to imminent fire danger
5 and associated potential for erosion and other environmental
6 damage caused by the extraordinary number of dead, dying, and
7 diseased trees resulting from prolonged drought, overstocked
8 forests, and infestation by bark beetles and other decay organisms.

9 (b) Unless the number of dead, dying, and diseased trees and
10 other vegetation is promptly reduced, there will be an increasing
11 risk to life and property from catastrophic erosion resulting from
12 the conditions created by fire. It is estimated that removal of these
13 trees will take in excess of five years.

14 (c) While the Governor issued a State of Emergency
15 Proclamation on March 7, 2003, to expedite the removal process,
16 this proclamation fails to address the ultimate disposal of the bark
17 beetle wood waste. It is important that state and local government
18 seek beneficial uses for this material, including uses that minimize
19 the impact on landfill space and minimize pollution resulting from
20 transportation or uncontrolled burning of the material.

21 (d) One beneficial use is the conversion of bark beetle wood
22 waste to electrical energy. The conversion of bark beetle wood



1 waste to electrical energy during the anticipated five-year removal
2 period would provide an increased supply of generation capacity
3 and energy during a period in which the state's electrical
4 generation capacity is expanding to meet the state's needs, while
5 simultaneously providing for the disposal of the waste under
6 environmentally controlled conditions.

7 SEC. 2. It is the intent of the Legislature to promote
8 investment in, and the use of, power generation systems that have
9 the capability of utilizing bark beetle wood waste as fuel for
10 electrical power generation. To encourage participation in this
11 effort, it is desirable and in the public interest to remove existing
12 obstacles to the participation by owners and operators of power
13 generation systems in the bark beetle wood waste removal process.

14 SEC. 3. Section 379.7 is added to the Public Utilities Code, to
15 read:

16 379.7. (a) For the purposes of this section, the term "bark
17 beetle wood waste fueled generating facility" shall mean an
18 electrical generating facility that has the physical capability of
19 handling and consuming as fuel in the process of generating
20 electricity, bark beetle wood waste originating in the counties of
21 San Bernardino, Riverside, or San Diego.

22 (b) A bark beetle wood waste fueled generating facility shall
23 not be charged by an electrical corporation any exit fees or cost
24 responsibility surcharges, as approved by the commission and
25 applicable to departing load customers, including Department of
26 Water Resources bond charges, Department of Water Resources
27 power charges, or any fees for recovery of utility power cost
28 undercollections or residual uneconomic generation charges, for
29 the energy it generates from the consumption of bark beetle wood
30 waste fuel.

31 (c) This section shall remain in effect only until January 1,
32 2011, and as of that date is repealed, unless a later enacted statute,
33 that is enacted before January 1, 2011, deletes or extends that date.

34 SEC. 4. This act is an urgency statute necessary for the
35 immediate preservation of the public peace, health, or safety
36 within the meaning of Article IV of the Constitution and shall go
37 into immediate effect. The facts constituting the necessity are:

1 In order to reduce the imminent risk of fire in Riverside, San
2 Bernardino, and San Diego Counties, it is necessary that this act
3 take effect immediately.

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